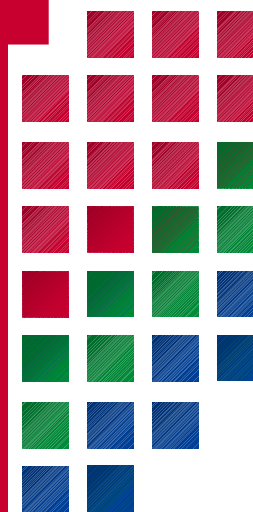


**Financial Highlights  
for the Three Months Ended June 30, 2018**

**August 10, 2018**



# Japan Post Holdings: Financial Highlights

## ■ Results of Operations for the Three Months Ended June 30, 2018

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Holdings (Consolidated)		
		Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)
<b>Ordinary income</b>	<b>3,159.1</b>	950.1	470.5	1,978.6
Year-on-year (for the three months ended June 30, 2017) change	(112.0)	+ 37.0	-	(134.8)
	(3.4)%	+ 4.1%	-	(6.4)%
<b>Net ordinary Income</b>	<b>210.1</b>	25.1	106.6	75.2
Year-on-year (for the three months ended June 30, 2017) change	(7.9)	+ 17.6	-	(7.9)
	(3.7)%	+ 236.4%	-	(9.6)%
<b>Net income</b>	<b>123.5</b>	22.9	78.3	34.0
Year-on-year (for the three months ended June 30, 2017) change	+ 19.0	+ 17.0	-	+ 9.9
	+ 18.2%	+ 290.5%	-	+ 41.1%

## ■ Forecast for the Fiscal Year Ending March 31, 2019 (Announced in May 2018)

<b>Net ordinary income</b>	<b>660.0</b>	57.0	370.0	220.0
[percentage achievement]	[31.8%]	[44.1%]	[28.8%]	[34.2%]
<b>Net income</b>	<b>330.0</b>	45.0	260.0	88.0
[percentage achievement]	[37.4%]	[51.1%]	[30.1%]	[38.7%]

Notes: 1. Figures less than ¥0.1 billion are rounded down. The figures of Japan Post Holdings (consolidated) and the combined figures of each subsidiary do not correspond because of other consolidated accounting procedures, etc.

2. The amount of ordinary profit on the consolidated statements of income of Japan Post Insurance has been used for net ordinary income of Japan Post Insurance.

3. The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co., net income attributable to Japan Post Bank and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated), Japan Post Bank (consolidated) and Japan Post Insurance (consolidated), respectively.

4. Year-on-year changes for Japan Post Bank are not shown because Japan Post Bank did not prepare its consolidated financial results until the third quarter of the fiscal year ended March 31, 2018. Figures for Japan Post Bank shown from page 6 to 8 on this material are based on the non-consolidated financial results.

# Japan Post Co. (Consolidated) [Postal and Domestic Logistics Business]: Financial Results

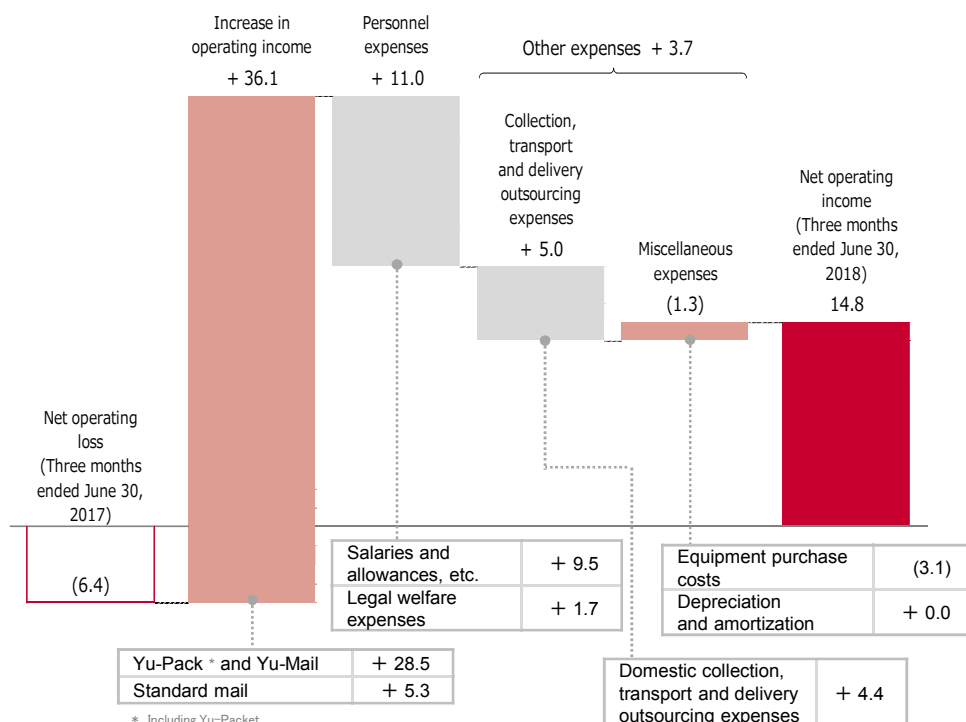
- An upward trend in the volume of Yu-Pack and Yu-Packet handled continued (an increase of 24.6% year-on-year). The volume of Yu-Mail handled increased slightly, and the volume of Mail handled decreased by a small margin.
- Operating income increased by ¥36.1 billion year-on-year (an increase of 7.8% year-on-year) driven by the expansion in operating income from Yu-Pack and Yu-Packet, etc.
- Net operating income turned a profit of ¥14.8 billion from the same period of the previous fiscal year due to a rise in operating income exceeding an increase in operating expenses such as personnel expenses and other expenses.

## Analysis of Year-on-year Change in Net Operating Income (Loss)

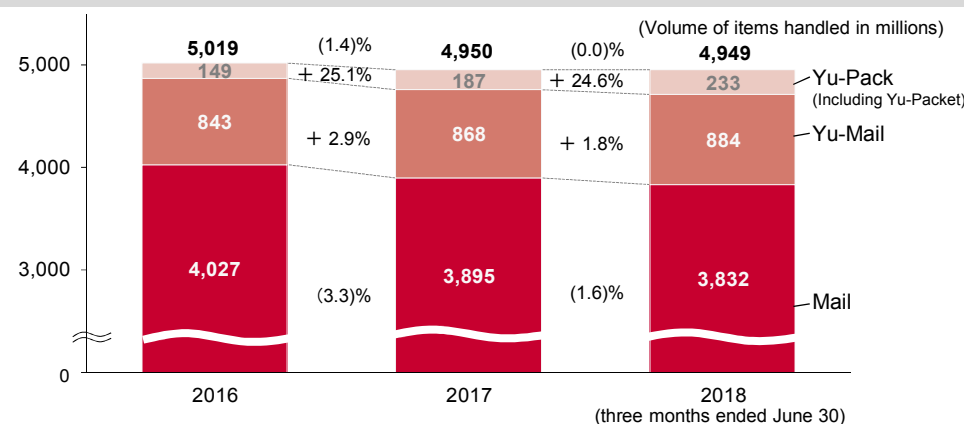
[Trends in Net Operating Income (Loss)] (Billions of yen)

2016	2017	2018
(5.8)	(6.4)	14.8

(three months ended June 30)



## Trends in Volume of Items Handled



## Results of Operations for the Three Months Ended June 30, 2018

(Billions of yen)

	For the three months ended June 30, 2018	For the three months ended June 30, 2017	Year-on-year change
Operating income	497.7	461.6	+36.1
Operating expenses	482.9	468.1	+14.7
Personnel expenses	311.1	300.0	+11.0
Other expenses	171.8	168.1	+3.7
<b>Net operating income (loss)</b>	<b>14.8</b>	<b>(6.4)</b>	<b>+21.3</b>

# Japan Post Co. (Consolidated) [Post Office Business]: Financial Results

- Operating income decreased by ¥4.0 billion year-on-year (a decrease of 1.2% year-on-year) due to a decrease in commissions for business consignment mainly as a result of a fall in new policy sales at Japan Post Insurance. Operating income from real estate business and third-party financial product agency services are growing steadily.
- Net operating income fell by ¥3.9 billion year-on-year (a decrease of 26.6% year-on-year), while operating expenses remained nearly at the same level as the previous corresponding period as a result of reducing other expenses exceeding an increase in personnel expenses.

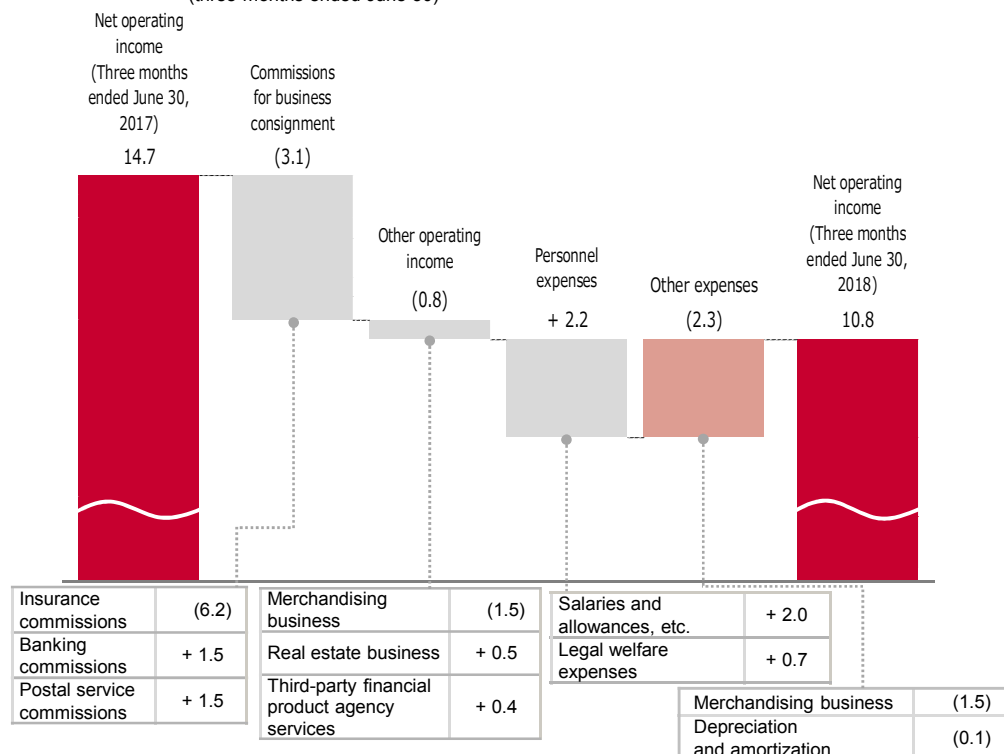
## Analysis of Year-on-year Change in Net Operating Income

[Trends in Net Operating Income]

(Billions of yen)

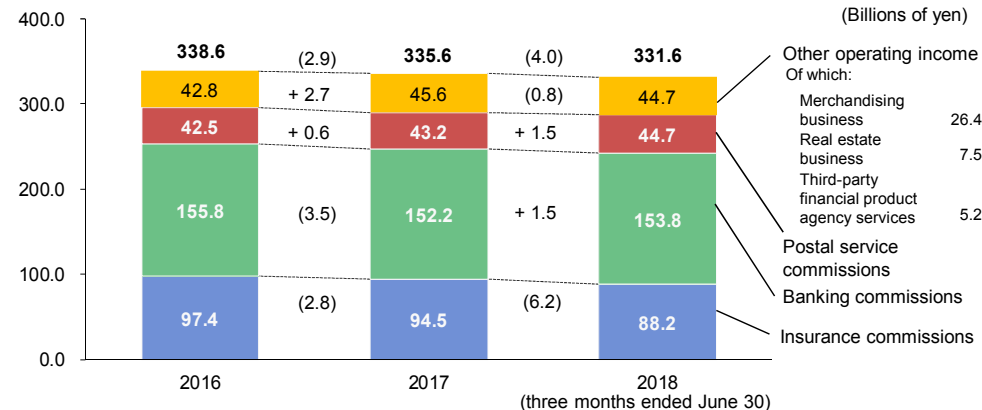
2016	2017	2018
14.4	14.7	10.8

(three months ended June 30)



## Trends in the Earnings Structure

(Billions of yen)



## Results of Operations for the Three Months Ended June 30, 2018

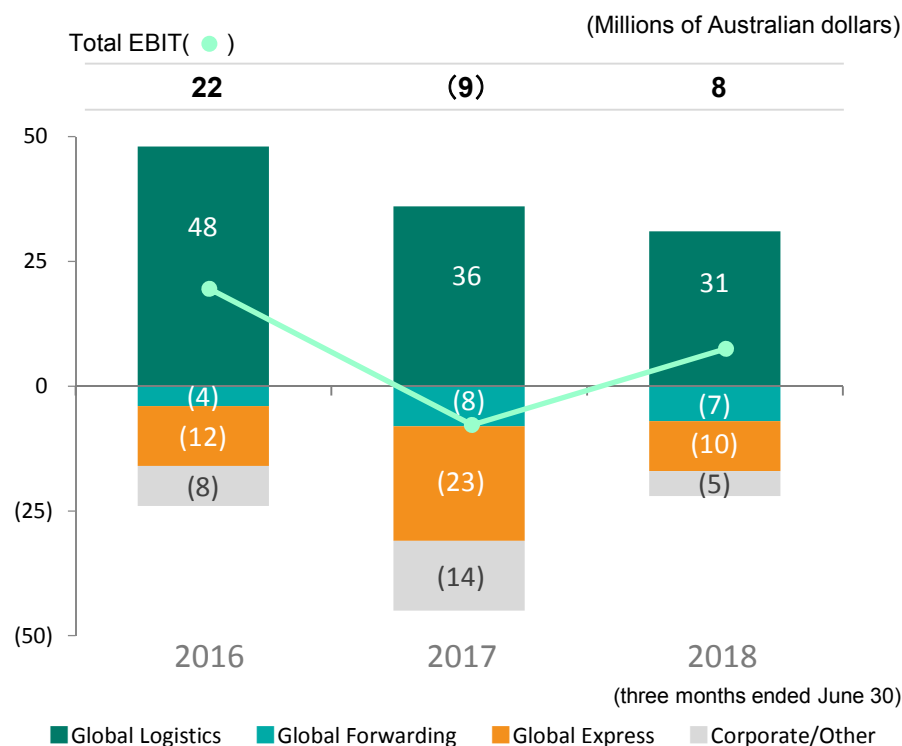
(Billions of yen)

	For the three months ended June 30, 2018	For the three months ended June 30, 2017	Year-on-year change
Operating income	331.6	335.6	(4.0)
Operating expenses	320.7	320.8	(0.0)
Personnel expenses	230.3	228.0	+ 2.2
Other expenses	90.4	92.8	(2.3)
<b>Net operating income</b>	<b>10.8</b>	<b>14.7</b>	<b>(3.9)</b>

# Japan Post Co. (Consolidated) [International Logistics Business]: Financial Results of Toll

- Operating income increased by A\$95 million year-on-year (an increase of 4.9% year-on-year) owing to an increase in operating income mainly in the Global Logistics business.
- Net operating income (EBIT) turned a profit of A\$8 million from the same period of the previous fiscal year mainly due to a decrease in net operating loss in the Global Express business.
- We expect to sustain our upward trend and we will continue to exert our efforts on the Transformation plan.

## Trends in Net Operating Income (Loss) (EBIT)



## Results of Operations for the Three Months Ended June 30, 2018

(Millions of Australian dollars)  
[Billions of yen]

	For the three months ended June 30, 2018	For the three months ended June 30, 2017	Year-on-year change
Operating income (revenue)	2,046 [169.0]	1,951 [162.7]	+ 95 [+ 6.2]
Operating expenses	2,038 [168.3]	1,960 [163.5]	+ 77 [+ 4.8]
Personnel expenses	649 [53.6]	652 [54.3]	(2) [(0.7)]
Other expenses	1,389 [114.7]	1,308 [109.1]	+ 80 [+ 5.5]
Net operating income (loss) (EBIT)	8 [0.6]	(9) [(0.7)]	+ 17 [+ 1.4]

Note: Net operating income (loss) is presented as EBIT of Toll. Figures in square brackets are presented in billions of yen (Average exchange rate for the three months ended June 30, 2018: ¥82.59 to A\$1.00 and for the three months ended June 30, 2017: ¥83.42 to A\$1.00).

- Operating income increased by ¥37.1 billion year-on-year (an increase of 4.1% year-on-year) to ¥948.4 billion due to a favorable performance in postal and domestic logistics business.
- Net operating income increased by ¥17.6 billion year-on-year (an increase of 237.5% year-on-year) to ¥25.1 billion and net income increased by ¥17.0 billion year-on-year (an increase of 290.5% year-on-year) to ¥22.9 billion. As a result, operating income, net operating income, net ordinary income and net income increased year-on-year.

## Analysis of Year-on-year Change in Net Income

[Trends in Net Operating Income]

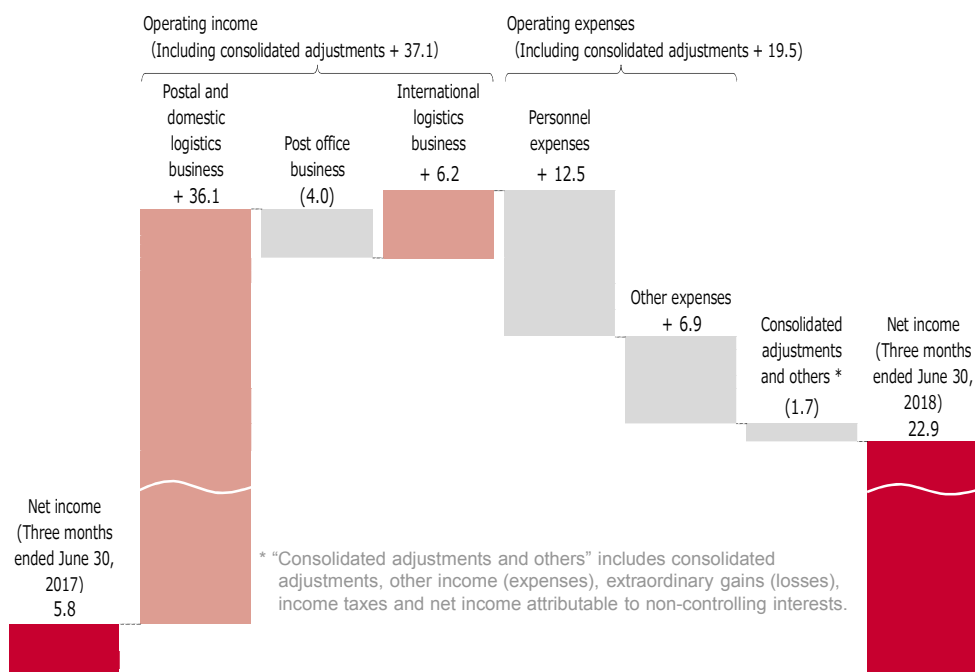
2016	2017	2018
3.2	7.4	25.1

(Billions of yen)

[Trends in Net Income]

2016	2017	2018
4.4	5.8	22.9

(three months ended June 30)



## Results of Operations for the Three Months Ended June 30, 2018

(Billions of yen)

	For the three months ended June 30, 2018	For the three months ended June 30, 2017	Year-on-year change
Operating income	<b>948.4</b>	911.3	+ 37.1
Operating expenses	<b>923.3</b>	903.8	+ 19.5
Personnel expenses	<b>595.0</b>	582.4	+ 12.5
Other expenses	<b>328.3</b>	321.3	+ 6.9
Net operating income	<b>25.1</b>	7.4	+ 17.6
Net ordinary income	<b>25.1</b>	7.4	+ 17.6
Extraordinary gains (losses)	<b>(0.2)</b>	(0.4)	+ 0.2
Income before income taxes	<b>24.8</b>	7.0	+ 17.8
Net income	<b>22.9</b>	5.8	+ 17.0

# Japan Post Bank (Non-consolidated): Financial Highlights

## Results of Operations for the Three Months Ended June 30, 2018

(Billions of yen, %)

	As of / for the three months ended		Year-on-year change
	June 30, 2018	June 30, 2017	
Gross operating profit	<b>370.0</b>	387.1	(17.1)
Net interest income	<b>276.6</b>	303.9	(27.3)
Net fees and commissions	<b>26.7</b>	24.1	+ 2.6
Net other operating income (loss)	<b>66.6</b>	59.1	+ 7.5
General and administrative expenses <sup>(Note1)</sup>	<b>263.4</b>	262.9	+ 0.4
Provision for general reserve for possible loan losses	-	0.0	(0.0)
<b>Net operating profit</b>	<b>106.6</b>	124.1	(17.5)
Non-recurring gains (losses)	<b>(0.0)</b>	0.1	(0.1)
Net ordinary income	<b>106.6</b>	124.2	(17.6)
<b>Net income</b>	<b>78.2</b>	89.3	(11.1)
Ordinary income	<b>470.4</b>	487.1	(16.7)
Ordinary expenses	<b>363.8</b>	362.8	+ 0.9
<b>Deposits <sup>(Note2)</sup></b>	<b>181,351.5</b>	180,827.2	+ 524.3
Capital adequacy ratio (non-consolidated, domestic standard)	<b>17.00</b>	20.25	(3.24)
(Reference) Consolidated Financial Highlights			
Net ordinary income	<b>106.6</b>	-	-
Net income <sup>(Note3)</sup>	<b>78.3</b>	-	-

## Overview

- Gross operating profit (non-consolidated) for the three months ended June 30, 2018 decreased by ¥17.1 billion year-on-year to ¥370.0 billion.  
Of which, net interest income decreased by ¥27.3 billion year-on-year mainly as a result of a decrease in interest on Japanese government bonds. Meanwhile, net fees and commissions increased by ¥2.6 billion year-on-year. Net other operating income (loss) increased by ¥7.5 billion year-on-year mainly owing to an increase in gains (losses) on foreign exchanges.
- General and administrative expenses (non-consolidated) increased by ¥0.4 billion year-on-year to ¥263.4 billion.
- In the adverse business environment from factors such as a low interest rate trend, net operating profit (non-consolidated) decreased by ¥17.5 billion year-on-year to ¥106.6 billion.
- Net ordinary income (non-consolidated) decreased by ¥17.6 billion year-on-year to ¥106.6 billion.
- Net income (non-consolidated) decreased by ¥11.1 billion year-on-year to ¥78.2 billion.
- Net income (consolidated) was ¥78.3 billion, achieving 30.1% of the financial results forecast for the fiscal year ending March 31, 2019.
- Deposits as of June 30, 2018 amounted to ¥181,351.5 billion.
- Capital adequacy ratio (non-consolidated, domestic standard) was 17.00%.

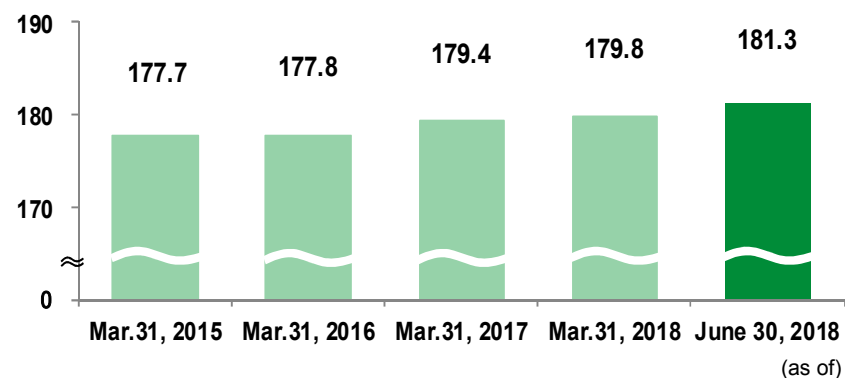
Notes: 1. Excludes non-recurring losses.

2. Excludes accrued interest.

3. The amount of net income attributable to Japan Post Bank is used for net income of Japan Post Bank (consolidated).

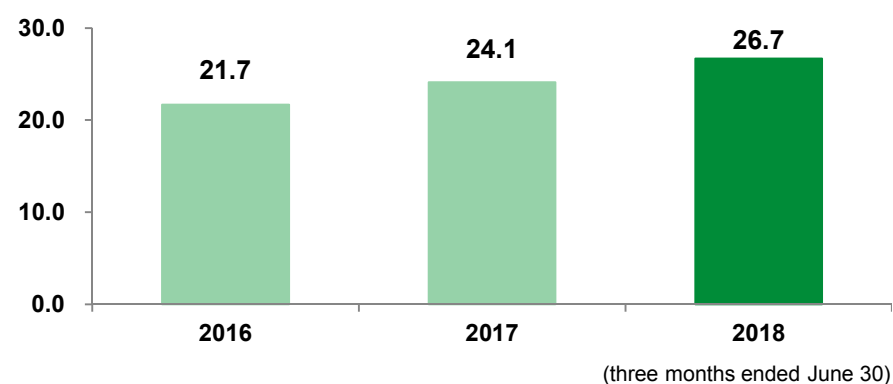
## Deposit Balance

(Trillions of yen)



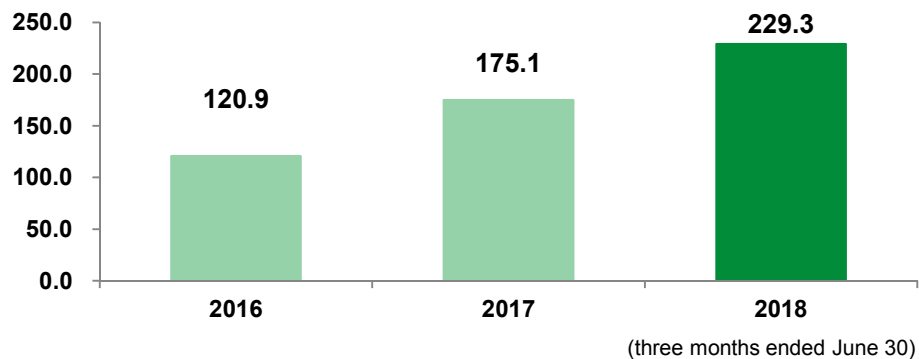
## Net Fees and Commissions

(Billions of yen)



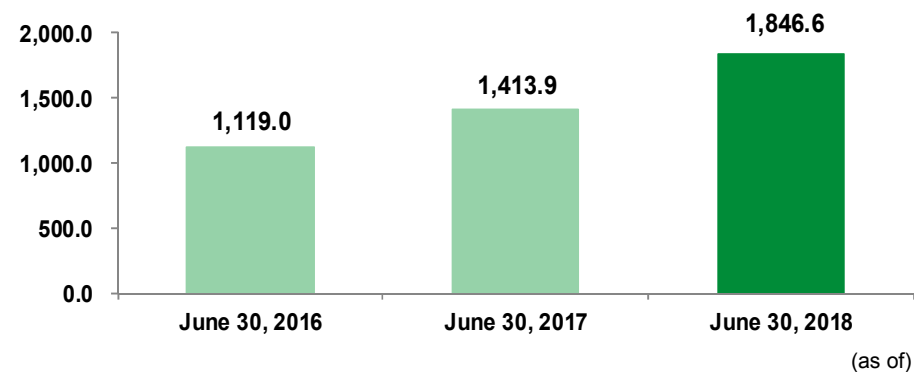
## Investment Trusts Sales

(Billions of yen)



## Net Assets of Investment Trusts

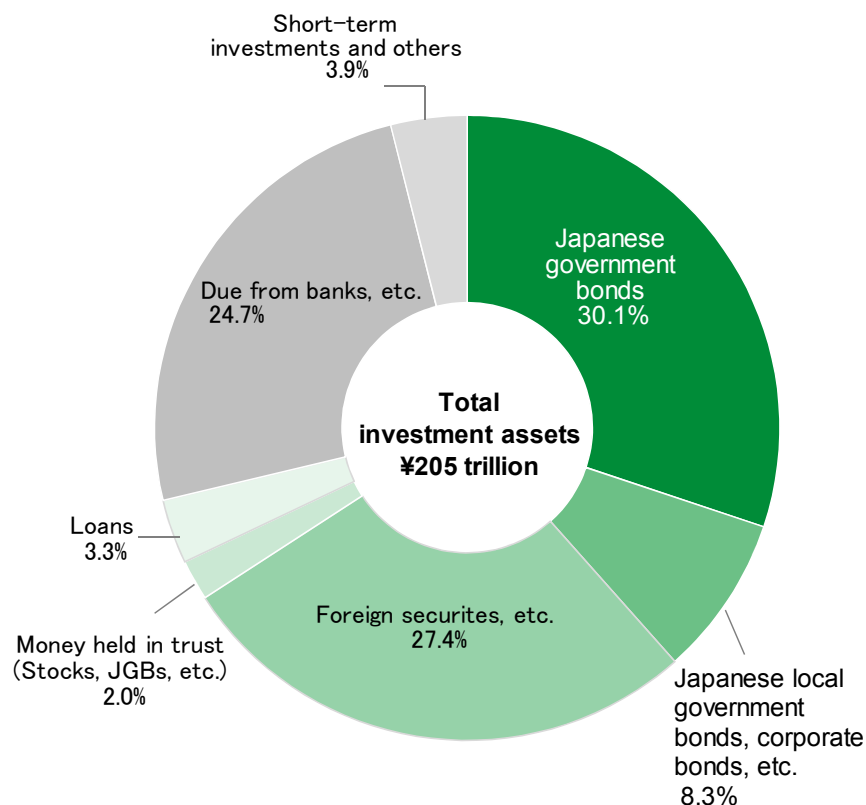
(Billions of yen)



Note: Figures are rounded down to the first decimal place.



(Billions of yen)



	As of June 30, 2018	Composition ratio (%)	As of March 31, 2018	Composition ratio (%)	Change
Securities	<b>135,456.6</b>	<b>65.8</b>	139,201.2	67.0	(3,744.6)
Japanese government bonds	<b>61,988.7</b>	<b>30.1</b>	62,749.7	30.2	(761.0)
Japanese local government bonds, corporate bonds, etc. <sup>(Note1)</sup>	<b>17,096.2</b>	<b>8.3</b>	17,152.6	8.2	(56.4)
Foreign securities, etc.	<b>56,371.7</b>	<b>27.4</b>	59,298.8	28.5	(2,927.1)
Foreign bonds	<b>20,425.4</b>	<b>9.9</b>	20,244.3	9.7	+ 181.1
Investment trusts <sup>(Note2)</sup>	<b>35,930.6</b>	<b>17.4</b>	39,042.6	18.7	(3,112.0)
Money held in trust (Stocks, JGBs, etc.)	<b>4,319.6</b>	<b>2.0</b>	4,241.5	2.0	+ 78.0
Domestic stocks	<b>2,346.8</b>	<b>1.1</b>	2,286.1	1.1	+ 60.7
Loans	<b>6,819.3</b>	<b>3.3</b>	6,145.5	2.9	+ 673.7
Due from banks, etc. <sup>(Note3)</sup>	<b>51,008.7</b>	<b>24.7</b>	49,314.6	23.7	+ 1,694.1
Short-term investments and others <sup>(Note4)</sup>	<b>8,110.8</b>	<b>3.9</b>	8,830.6	4.2	(719.7)
<b>Total investment assets</b>	<b>205,715.2</b>	<b>100.0</b>	207,733.5	100.0	(2,018.3)

Notes:1. "Japanese local government bonds, corporate bonds, etc." consists of Japanese local government bonds, commercial paper, Japanese corporate bonds and Japanese stocks.

2. Major investment target in "Investment trusts" are foreign bonds.

3. "Due from banks, etc." consists of negotiable certificates of deposit, Bank of Japan deposits and monetary claims bought.

4. "Short-term investments and others" consists of call loans and receivables under securities borrowing transactions, etc.

## Results of Operations for the Three Months Ended June 30, 2018

(Billions of yen, %)

	For the three months ended		Year-on-year change
	June 30, 2018	June 30, 2017	
Ordinary income	<b>1,978.6</b>	2,113.5	(134.8)
Ordinary expenses	<b>1,903.4</b>	2,030.3	(126.9)
Ordinary profit	<b>75.2</b>	83.2	(7.9)
Net income	<b>34.0</b>	24.1	+ 9.9
(Reference) Non-consolidated Financial Highlights			
Core profit	<b>98.8</b>	93.6	+ 5.2
Net capital gains (losses)	<b>(15.6)</b>	1.2	(16.8)
Non-recurring gains (losses)	<b>(8.1)</b>	(11.7)	+ 3.6
Ordinary profit	<b>75.0</b>	83.1	(8.0)
Annualized premiums from new policies (individual insurance)	<b>94.6</b>	104.5	(9.9)
	As of		Change
	June 30, 2018	Mar. 31, 2018	
Annualized premiums from policies in force (individual insurance) <sup>(Note 1)</sup>	<b>4,823.9</b>	4,859.5	(35.5)
Solvency margin ratio (consolidated)	<b>1,138.6</b>	1,131.8	+ 6.8
Real net assets (consolidated)	<b>12,878.9</b>	12,904.8	(25.9)

Notes: 1. Policies in force for individual insurance include those for Postal Life Insurance Policies, which show contracts reinsured by Japan Post Insurance from the Management Organization for Postal Savings and Postal Life Insurance.  
 2. Figures less than ¥0.1 billion are rounded down.  
 3. Please refer to "Status of Insurance Policies" on page 10 for annualized premiums from new policies and policies in force for medical care.

## Overview

■ Ordinary profit (consolidated) for the three months ended June 30, 2018 decreased by ¥7.9 billion year-on-year to ¥75.2 billion mainly due to net capital losses including losses on derivative financial instruments, despite an increase in core profit year-on-year.

Net income (consolidated) increased by ¥9.9 billion year-on-year to ¥34.0 billion primarily due to a decrease in provision for reserve for policyholder dividends as a result of an increase in the number of policies with non-participating riders, and achieving 38.7% of the financial results forecast for the fiscal year ending March 31, 2019.

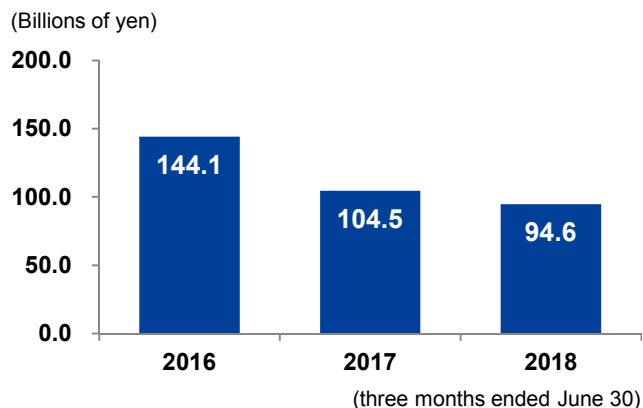
■ Annualized premiums from new policies and policies in force for individual insurance decreased compared with the same period of the previous fiscal year and the end of the previous fiscal year, respectively. On the other hand, annualized premiums from new policies and policies in force for medical care are growing steadily compared with the same period of the previous fiscal year and the end of the previous fiscal year, respectively. (Notes 1 and 3)

■ Internal reserves, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥2,994.6 billion.

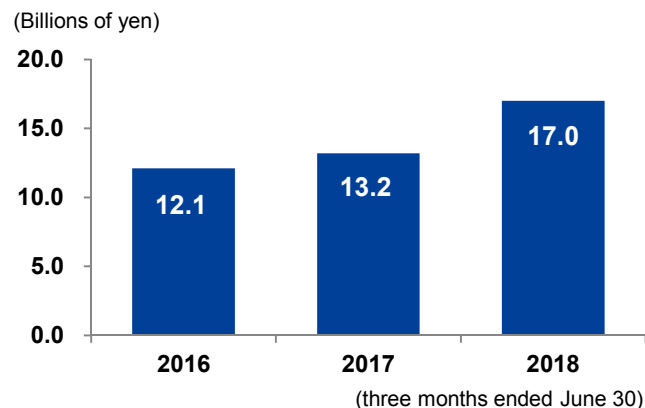
■ Solvency margin ratio (consolidated), an indicator of financial soundness, amounted to 1,138.6% and real net assets (consolidated) amounted to ¥12,878.9 billion, continuously maintaining a high level of financial soundness.

## New Policies

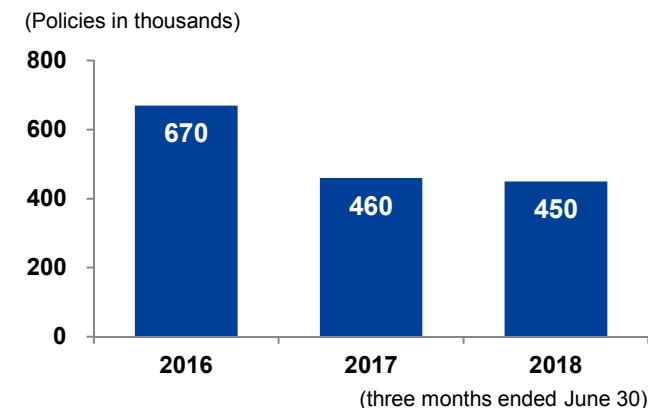
### Annualized Premiums from New Policies (Individual Insurance)



### Annualized Premiums from New Policies (Medical Care)

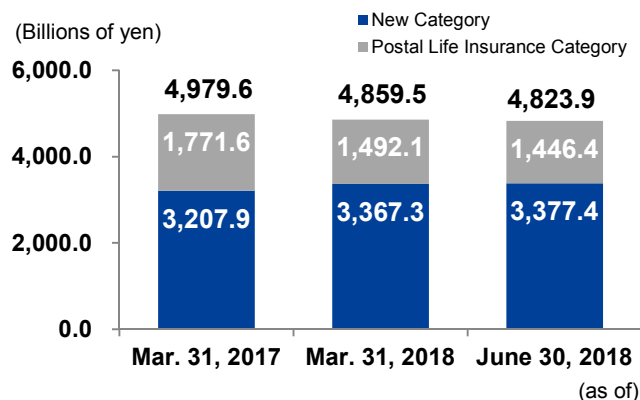


### Number of New Policies (Individual Insurance)

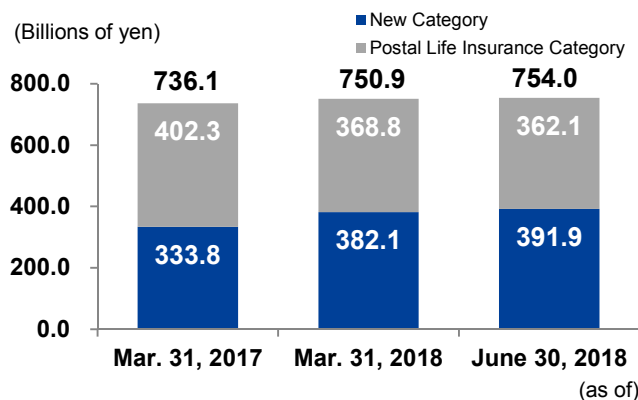


## Policies in Force

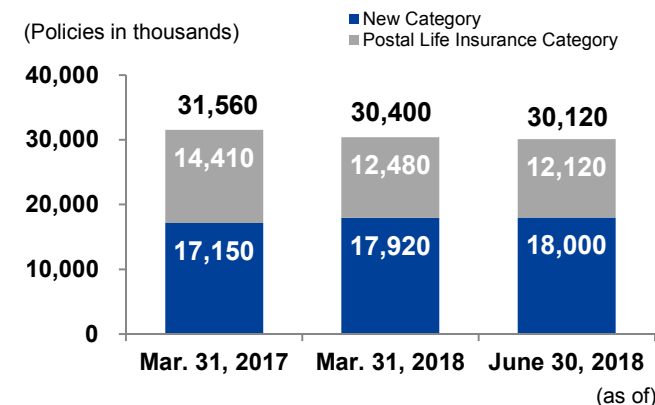
### Annualized Premiums from Policies in Force (Individual Insurance)



### Annualized Premiums from Policies in Force (Medical Care)



### Number of Policies in Force (Individual Insurance)



Notes: 1. Figures less than ¥0.1 billion are rounded down, and number of policies is rounded down to the nearest ten thousand.

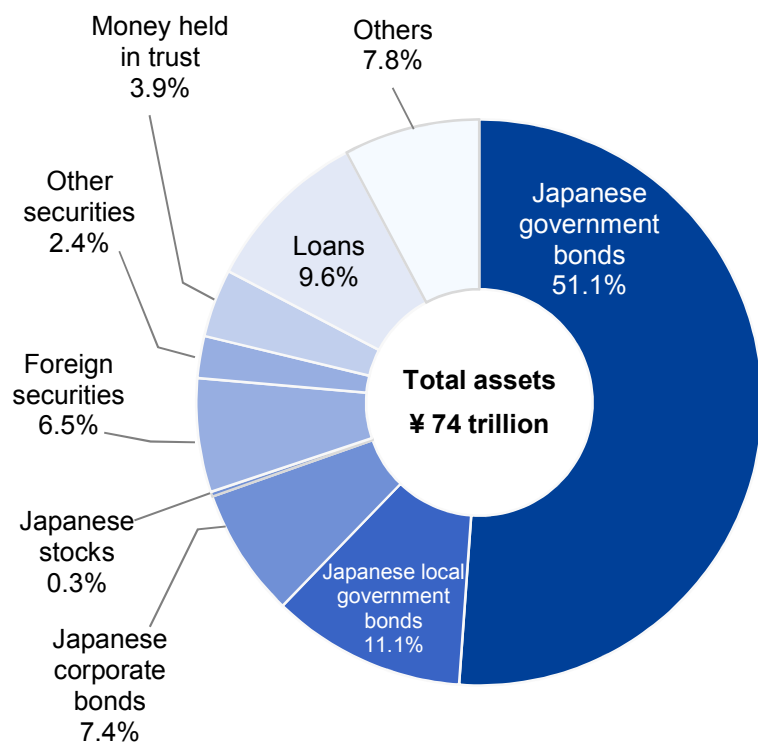
2. Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.

Annualized premiums for individual insurance include those for medical care. Annualized premiums for medical care are the total of those for individual insurance and individual annuity insurance.

3. "New Category" shows individual insurance policies underwritten by Japan Post Insurance. "Postal Life Insurance Category" shows Postal Life Insurance Policies reinsured by Japan Post Insurance from the Management Organization for Postal Savings and Postal Life Insurance.

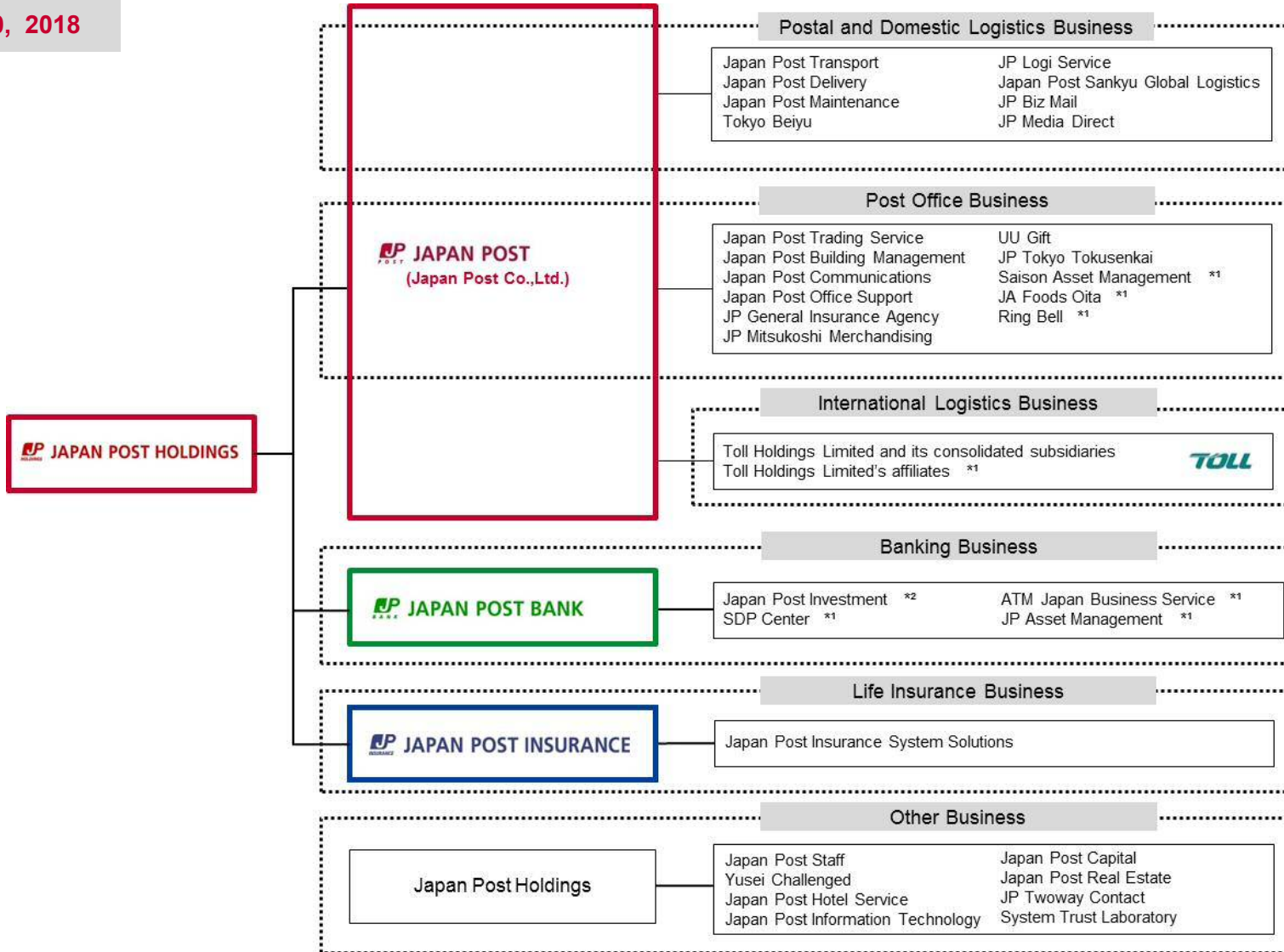
(Billions of yen)

	As of June 30, 2018	Composition ratio (%)	As of March 31, 2018	Composition ratio (%)	Change
Securities	<b>59,049.6</b>	<b>78.8</b>	60,130.9	78.3	(1,081.2)
Japanese government bonds	<b>38,331.6</b>	<b>51.1</b>	39,589.8	51.5	(1,258.2)
Japanese local government bonds	<b>8,323.3</b>	<b>11.1</b>	8,513.5	11.1	(190.2)
Japanese corporate bonds	<b>5,519.2</b>	<b>7.4</b>	5,472.9	7.1	+ 46.3
Japanese stocks	<b>208.6</b>	<b>0.3</b>	195.3	0.3	+ 13.2
Foreign securities	<b>4,867.1</b>	<b>6.5</b>	4,347.5	5.7	+ 519.5
Other securities	<b>1,799.5</b>	<b>2.4</b>	2,011.5	2.6	(211.9)
Money held in trust	<b>2,916.6</b>	<b>3.9</b>	2,814.8	3.7	+ 101.8
Loans	<b>7,170.1</b>	<b>9.6</b>	7,627.1	9.9	(456.9)
Others	<b>5,821.7</b>	<b>7.8</b>	6,258.3	8.1	(436.5)
<b>Total assets</b>	<b>74,958.3</b>	<b>100.0</b>	76,831.2	100.0	(1,872.9)



# [Appendix 1] Japan Post Holdings: Organization Chart

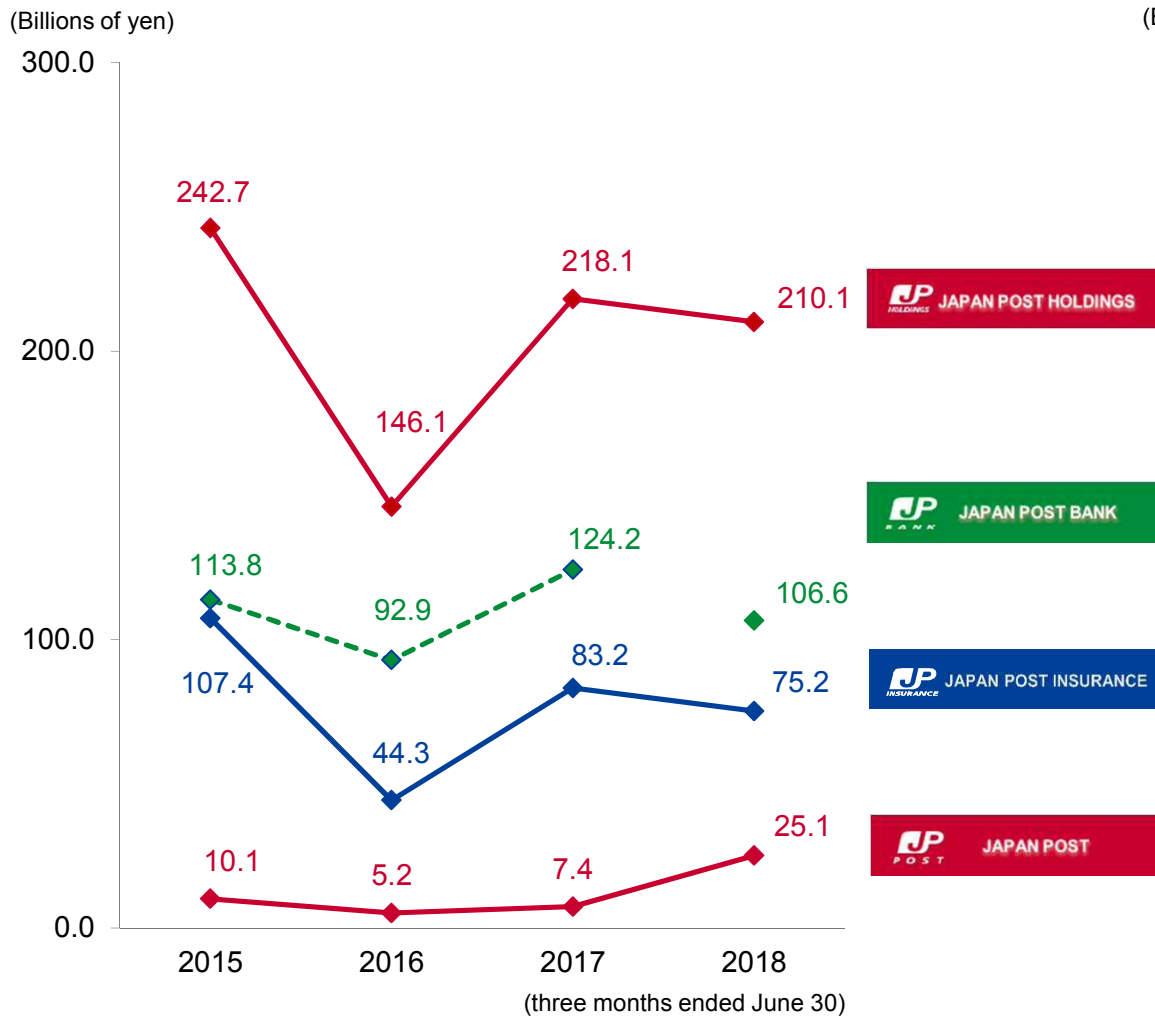
As of June 30, 2018



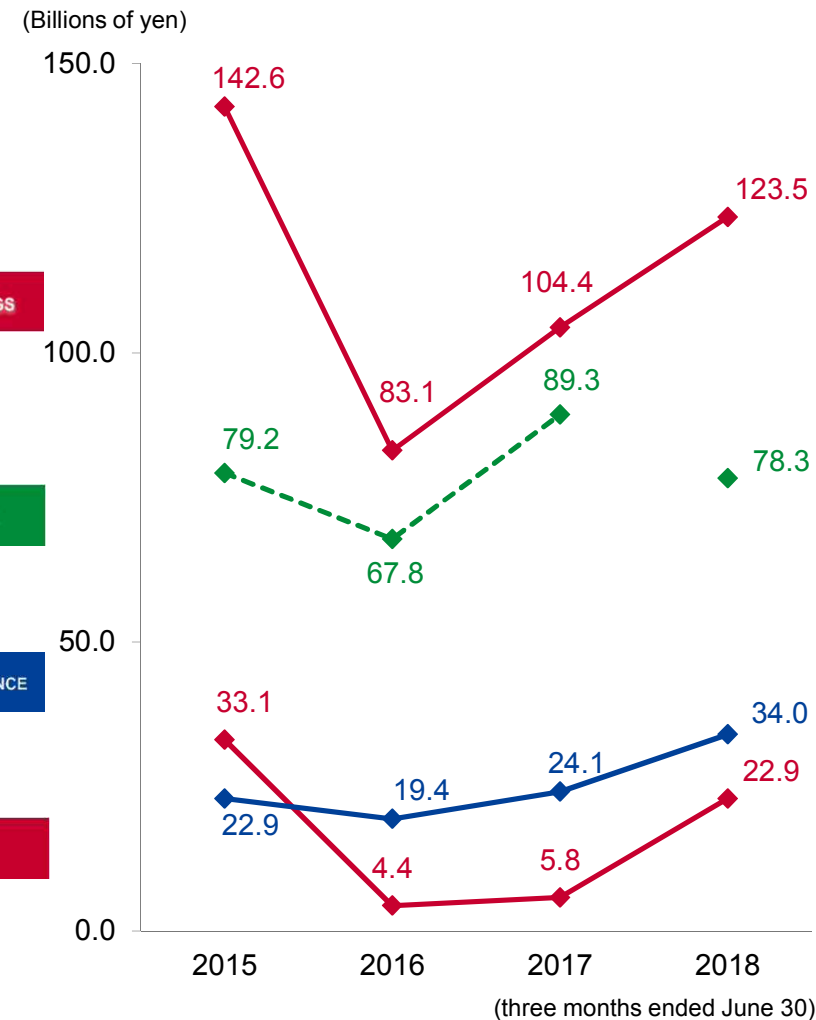
\*1 Affiliates accounted for by the equity method \*2 Including its consolidated subsidiaries

# [Appendix 2] Trends in Net Ordinary Income and Net Income

**Trends in Net Ordinary Income**



**Trends in Net Income**



Note: Figures for Japan Post Bank for the three months ended June 30, 2015, 2016 and 2017 are based on non-consolidated financial results, and the others are based on consolidated financial results.

Forecasts and other forward-looking statements presented in this document are based on information available to Japan Post Holdings Co., Ltd (the “Company”) at present and certain assumptions that the Company has deemed reasonable, and the Company provides no assurance that the forecasts will be achieved or with respect to any other forward-looking statements. The actual future results may vary considerably depending upon various factors, such as interest rate fluctuations, stock price fluctuations, foreign exchange fluctuations, asset value fluctuations, changes in economic and financial environment, changes in competition terms, the occurrence of large-scale disasters, etc. and changes in laws and regulations.